

## **Congressman Travis Childers Supports Crackdown on Oil Speculators**

### ***House Passes Legislation to Curb Artificial Price Inflation, Lower Gas Prices***

September 18, 2008

Washington, DC – For a third time, Congress Travis Childers (D-MS) today voted in favor of legislation to prevent oil speculation and help lower gas prices, as well as increase transparency in markets that control the price of fuel. After failing to win House approval under a suspension vote in July, the Commodity Markets Transparency and Accountability Act (H.R. 6604) passed with strong bipartisan support today by a vote of 283-133. By closing current loopholes that permit artificial price inflation, H.R. 6604 helps put an end to speculation that drives up fuel costs.

“North Mississippians and all Americans have been exhausting their pocketbooks in the face of out-of-control gas prices, and they have been depending on their elected officials to provide them with some relief,” said Congressman Childers. “There is reason to believe that speculators are artificially inflating the price of crude oil and other energy commodities, and we need to crack down on these price manipulators. Doing so could have an immediate effect on reducing gas prices and provide much-needed relief for Americans.

“ I am proud to have supported today’s legislation to curb oil speculation, and am pleased that a bipartisan majority of my colleagues joined me to at last successfully pass this important and necessary measure.”

Congressman Childers is an original cosponsor of H.R. 6604. He voted for the measure in late July, but the legislation was unable to pass in the House under suspension, which necessitates

a two-thirds vote. The Congressman also previously helped pass H.R. 6604 by a voice vote in the Agriculture Committee, on which he serves. Today's vote occurred under regular order.

The bill has been backed by the following national, regional, and state organizations:

National Chicken Council  
National Corn Growers Association  
National Cotton Council  
Southern Cotton Shippers Association  
American Cotton Shippers Association  
Southern Peanut Farmers Federation  
Air Transport Association  
Air Line Pilots Association  
Tyson Foods  
Sierra Club  
National Farmers Organization  
Environment America  
National Farmers Union  
League of Conservation Voters  
National Grange  
The Wilderness Society  
National Milk Producers Federation  
Public Citizen  
National Sorghum Producers  
American Public Gas Association  
R-CALF  
United Stockgrowers of America  
Industrial Energy Consumers of America  
Mars Inc.  
Agricultural Retailers Association  
Southwest Council of Agribusiness  
American Agriculture Movement  
Texas Cotton Association  
American Association of Crop Insurers  
United Egg Producers  
American Corn Growers Association  
United States Cattlemen's Association  
US Rice Producers Association  
American Peanut Product Manufacturers, Inc.  
USA Rice Federation

Atlantic Cotton Association  
Western Cotton Shippers Association  
Independent Cattlemen's Association of Texas  
Western Peanut Growers Association  
Minnesota Corn Growers Association  
Women Involved in Farm Economics  
National Association of State Departments of Agriculture

H.R. 6604 would put an end to speculation loopholes and create market transparency through the following provisions:

- Requires foreign boards of trade to share trading data and adopt speculative position limits on contracts that trade U.S. commodities similar to U.S.-regulated exchanges.
- Requires the Commodity Futures Trading Commission (CFTC) to set trading limits for all agricultural and energy commodities in order to prevent excessive speculation (many agriculture commodities have already set trading limits, however energy commodities have not);
- Limits eligibility for hedge exemptions to bona-fide hedgers.
- Codifies CFTC recommendations to improve transparency in dark markets by disaggregating index funds and other data in energy and agricultural markets, as well as requiring detailed reports from index traders and swap dealers.
- Calls for a minimum of 100 full-time CFTC employees to enforce manipulation and prevent fraud. Despite record trading volume in the futures and options markets, CFTC staffing is at its lowest level since the agency was created in 1974.

- Authorizes CFTC to take action if it finds disruption in over-the-counter markets for energy and gas.
- Requires the CFTC to study the effectiveness of establishing position limits in over-the-counter markets.

Previously, the Congressman voted to end price speculation by supporting the bipartisan Energy Markets Emergency Act (H.R. 6377), which directs the Commodity Futures Trading Commission (CFTC), an independent agency of the U.S. government, to use its authority to eliminate excessive oil speculation, price distortion, and sudden or unwarranted changes in prices. The bill passed in the House in June with overwhelming bipartisan support by a vote of 402-19.

Earlier in July, Congressman Childers participated in Agriculture Committee hearings to investigate the impact oil speculation has on rising gas prices and explore possible solutions.

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